



**State of Tennessee**  
**Health Services and Development Agency**

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243  
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## **AGENDA**

Legislative Plaza  
Room 12  
Sixth Avenue North & Union Street  
Nashville, TN

Wednesday, November 19, 2014  
8:30 a.m. CST

- I. CALL TO ORDER
- II. ROLL CALL
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES
- V. STATE HEALTH PLAN UPDATE
  - A. Update: Jeff Ockerman, Director of Health Planning, Department of Health
- VI. CONSENT CALENDAR APPLICATIONS
  - A. Princeton Transitional Care, Johnson City (Washington County), TN — CN1409-039  
The relocation of the thirty-four (34) bed skilled nursing home from James H. and Cecile C. Quillen Rehabilitation Hospital located at 2511 Wesley Street, Johnson City (Washington County), TN 37601 to Johnson City Medical Center located at 400 North State of Franklin Road, Johnson City (Washington County), TN 37604. The estimated project cost is \$21,000.00.  
  
\* These beds are not subject to the 2014-2015 Nursing Home Bed Pool.
- VII. CERTIFICATE OF NEED APPLICATIONS
  - A. Valley Open MRI, PC, Kimball (Marion County), TN — CN1407-028  
The establishment of an Outpatient Diagnostic Center (ODC), the acquisition of magnetic resonance imaging (MRI) equipment, and the initiation of MRI services in a 4,380 square foot new building to be constructed at 1152 Main Street in Kimball (Marion County), Tennessee. The estimated project cost is \$2,370,547.00.  
  
**OPPOSITION:** Parkridge West Hospital f/k/a Grandview Medical Center; Dennis J. Leonard, M.D., F.A.A.F.P.; Rena A. Azar, M.D.

- B. Metro Knoxville HMA, LLC d/b/a Tennova Healthcare-Physicians Regional Medical Center, Knoxville (Knox County), TN — CN1408-033

The construction of a partial replacement hospital and relocation of 272 of the 401 beds at the main campus of Physicians Regional Medical Center from 900 E. Oak Hill Avenue, Knoxville (Knox County), to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard, Knoxville (Knox County), a distance of approximately nine (9) miles from the current facility. The estimated project cost is \$303,545,204.00.

**OPPOSITION listed is also opposed to CN1408-034:** Covenant Health for Fort Sanders Regional Medical Center; Alesa Grant; Anna Lea Cupp; Anne C. Crais; April Hurley; Ashley C. Williams; Beverly R. Gooch; Bonnie Peters; Charlotte M. Davis; Darrell D. Hurley, Jr.; Darrell Hurley, Sr.; David Berry; Donna Spencer; Elizabeth Diamond; Elizabeth Lane; Gael Lott; Heidi Efurd; John Heins; Josh Hurley; Katherine Tinnell; Kevin P. Murphy; Larry Hill; Larry Silverstein; Lee Schneider, Jr.; Renee O’Baugh; Rocky Swingle; Susan Williams; Suzanne Stephens; Tom McDaniel; Petitions created by Darrell Hurley, Jr. Online Petition with 154 signatures, Written Petition with 33 signatures

- C. Metro Knoxville HMA, LLC d/b/a Tennova Healthcare-Physicians Regional Medical Center, Knoxville (Knox County), TN — CN1408-034

The replacement and relocation of the 25-bed nursing home which is located in Physicians Regional Medical Center. The nursing home proposes to relocate with the hospital from 900 E. Oak Hill Avenue, Knoxville (Knox County), to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard, Knoxville (Knox County), a distance of approximately nine (9) miles from the current facility. The estimated project cost is \$6,454,796.00.

**OPPOSITION listed above under CN1408-033**

- D. Parkridge Medical Center, Inc., Chattanooga (Hamilton County), TN — CN1408-035

The acquisition of a second magnetic resonance imaging (MRI) unit for installation and use in 1,202 square feet of renovated space on the main campus of Parkridge Medical Center (PMC) at 2333 McCallie Avenue, Chattanooga (Hamilton County), TN. No new beds or changes in services are involved in the project. The estimated project cost is \$2,968,942.00.

- E. The Residence at Alive Hospice--Murfreesboro, Murfreesboro (Rutherford County), TN — CN1408-037

The establishment of a ten (10) bed residential hospice in Murfreesboro (Rutherford County). The facility will be located at unaddressed Lot 13, which lies between Williams Drive and Carl Adams Drive, and is bounded by DCI Dialysis Clinic and by the Murfreesboro Medical Clinic/Surgicenter property at the intersection of Carl Adams Drive and Garrison Drive. The facility will be licensed separately as a residential hospice but will operate under the existing provider number of Alive Hospice, Inc., a licensed and Medicare-certified home care organization providing hospice care. The estimated project cost is \$10,888,816.00.

## VIII. GENERAL COUNSEL’S REPORT

- A. Karing Hearts Cardiology Cardiac PET Service, Johnson City (Washington County), TN — CN1311-046A

Request for a project cost overrun of \$133,421 (from \$391,585 to \$525,006), an increase of 34.1%. The cost overrun is due to the following reasons: 1) A decision was made to purchase the PET unit from its owner rather than to lease it, increasing the cost by \$109,214; and 2) Moving the equipment required unforeseen special transport measures which increased the cost by \$33,500.

This project was approved on February 26, 2014 for the acquisition of Cardiac PET equipment and the initiation of services (replacing CN1304-014A, the previously approved, unimplemented and now surrendered CON). On June 30, 2014, this project was implemented and the service became operational.

**DEFERRED FROM THE OCTOBER MEETING**

- B. Metro Knoxville HMA, LLC d/b/a Tennova Healthcare – North Knoxville Medical Center (f/k/a Mercy Health System, Inc. dba Mercy Medical Center, North, Powell (Knox County), TN – CN1106-019A  
Request for a one (1) year extension of the expiration date from December 1, 2014 to December 1, 2015: This project was approved on October 26, 2011 for the acquisition of a second linear accelerator to be located and utilized on the Tennova Healthcare – North Knoxville Medical Center campus. The project cost is \$4,694,671.00.
- C. Campbell Clinic Surgery Center, Germantown (Shelby County), TN – CN1208-040A  
Request for a twenty-four month extension of the expiration date from January 1, 2015 to January 1, 2017: This project was approved on November 14, 2012 for expansion of the surgery center by adding approximately 21,000 SF of space. The ASTC is limited to orthopaedics and pain management. The project cost is \$13,277,258.00.
- D. Contested Case Update

IX. OTHER BUSINESS

X. ADJOURNMENT